



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 6, 2013

Via First Class Mail and E-mail

E-mail: cmitchell@foley.com

Cleta Mitchell, Esq.
Foley & Lardner LLP
Washington Harbour
3000 K Street, NW
Suite 600
Washington, DC 20007-5109

RE: MUR 6469
(formerly RR 10L-08 and MUR 6305)
Friends of Sharron Angle, *et al.*

Dear Ms. Mitchell:

On December 5, 2013, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of a violation of 2 U.S.C. § 434(b), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter. Please be advised that the civil penalty in this agreement reflects *unusual factors brought forth during the conciliation process.*

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script that reads "Christine C. Gallagher".

Christine C. Gallagher
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

MUR 6469

Friends of Sharron Angle and Robert Fee,)
in his official capacity as treasurer)

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CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and by a signed, sworn, and notarized complaint by Charles Tait Eckland. The Commission found reason to believe that Friends of Sharron Angle and Robert Fee, in his official capacity as treasurer, ("Respondent" or the "Committee") violated 2 U.S.C. § 434(b).

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Friends of Sharron Angle is a "political committee" within the meaning of 2 U.S.C. § 431(4). The Committee is Sharron E. Angle's "principal campaign committee" for her 2009-2010 campaign for U.S. Senate in Nevada within the meaning of 2 U.S.C. § 431(5).

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2. Robert Fee is the current treasurer of Friends of Sharron Angle. Alan B. Mills was the Committee's treasurer at the time the violations occurred.

3. The treasurer of a political committee must file reports of all receipts and disbursements in accordance with the Act. 2 U.S.C. § 434(a)(1). In both election and non-election years, the principal campaign committee of a candidate for the Senate is required to file, in addition to other required reports, quarterly reports filed no later than the 15th day after the last day of each calendar quarter, and which shall be complete as of the last day of each calendar quarter. 2 U.S.C. § 434(a)(2)(A)(iii) and (B). The principal campaign committee of a candidate for Senate is required to file a year-end quarterly report, which shall be filed no later than January 31 of the following calendar year. *Id.* The reports shall disclose, *inter alia*, the amount and nature of outstanding debts and obligations owed by or to the political committee, as well as the total amount of all disbursements, including the appropriate itemizations, where required. 2 U.S.C. § 434(b)(4) and (b)(8); 11 C.F.R. § 104.3(b) and (d).

4. The Committee originally filed its 2009 Year-End Report on January 29, 2010, and amended it on May 25, 2010, and again on September 1, 2010. The Committee's original 2009 Year-End Report disclosed \$71,683.42 in operating expenditures, \$105,644.57 in other disbursements, and disclosed no outstanding debts and obligations. The Committee's first amended 2009 Year-End Report disclosed \$344,410.19 in operating expenditures, deleted \$105,644.57 in other disbursements, and disclosed \$187,968.64 in debts and obligations. The Committee's second amended 2009 Year-End Report disclosed \$344,410.19 in operating expenditures and \$137,621.79 in debts and obligations. Therefore, the September 1, 2010, second amended report, as compared to the originally filed 2009 Year-End Report, disclosed an

additional \$272,726.87 in operating expenditures, an additional \$137,621.79 in debts and obligations, and deleted \$105,644.57 in other disbursements.

5. The Committee originally filed its 2010 April Quarterly Report on April 15, 2010, and amended it on May 26, 2010, and again on September 1, 2010. The Committee's original 2010 April Quarterly Report disclosed \$78,595.78 in operating expenditures and no outstanding debts and obligations. The Committee's first amended its 2010 April Quarterly Report disclosed \$348,948.06 in operating expenditures and \$280,719.02 in debts and obligations. The Committee's second amended 2010 April Quarterly Report disclosed \$348,948.06 in operating expenditures and \$167,207.96 in debts and obligations. Therefore, the September 1, 2010, second amended report, as compared to the originally filed 2010 April Quarterly Report, disclosed an additional \$270,352.28 in operating expenditures and an additional \$167,207.96 in debts and obligations.

6. Respondent contends that its reporting procedures were established and implemented in a good faith effort to comply with the Act and there was no intention on Respondent's part to fail to comply with the Act by deliberately not disclosing any operating expenditures or debts. Respondent further contends that it prepared and filed each of the amendments in an effort to continually update its reports to fully disclose accurate information regarding the campaign's receipts, expenditures and debts.

7. Beginning in 2011, Respondent underwent an audit by the Audit Division of the Federal Election Commission. On February 4, 2013, Respondent paid an administrative fine of Twenty-Five Thousand Seven Hundred and Twenty-Five Dollars (\$25,725.00) for certain late contributions not reported on its 48-hour reports. See Final Audit Report of Commission on Friends of Sharron Angle (Feb. 17, 2009 –Dec. 31, 2010); AF# 2605.

8. Respondent contends that it fully cooperated with the audit staff and that its failure to report the late contributions was unintentional and resulted from the large volume of such contributions received in the closing days of the 2010 Primary and General Elections.

V. Respondent violated 2 U.S.C. § 434(b) by not disclosing all of its operating expenditures and debts and obligations, and misreporting other disbursements, in its original 2009 Year-End Report filed on January 29, 2010, and by not disclosing all of its operating expenditures and debts and obligations in its original 2010 April Quarterly Report filed on April 15, 2010. Respondent will cease and desist from violating 2 U.S.C. § 434(b).

VI. In ordinary circumstances, the Commission would seek a substantially higher civil penalty based on the violations outlined in this agreement as well as the mitigating circumstances. However, the Commission is taking into account the fact that the Committee is defunct, has very little cash, and has a limited ability to raise any additional funds, and that the Respondent recently paid \$25,725 to resolve AF #2605. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Twelve Thousand Eight Hundred Thirty Four Dollars and Eighty-Nine Cents (\$12,834.89), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The scope of this agreement is limited to the reports referenced in MUR 6469 and listed in paragraph IV.4 and 5 above. This agreement does not cover any activity relating to AF # 2605 or activity disclosed on additional reports or amendments that the Respondent has filed or will file with the Commission.

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any

requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

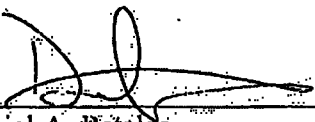
IX. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

X. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

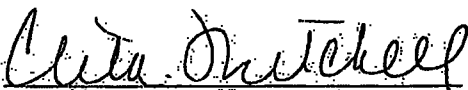
FOR THE COMMISSION:

Anthony Herman
General Counsel

BY: 
Daniel A. Petalas
Associate General Counsel
for Enforcement

12/6/13
Date

FOR THE RESPONDENT:


Cleta Mitchell
Counsel for Respondent

July 29, 2013
Date